

**IN THE UNITED STATES DISTRICT COURT**

**FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**UNITED STATES OF AMERICA : CRIMINAL NO.**

**v. : DATE FILED:**

**BARBARA LESSNER**

- :** **VIOLATIONS:**
- :** **18 U.S.C. § 1343**
- :** **(wire fraud - 10 counts)**
- :** **41 U.S.C. §§ 423(a) and (e)**
- :** **(defense procurement fraud - disclosing contractor bid, proposal, and source selection information - 8 counts)**
- :** **18 U.S.C. § 1519**
- :** **(destruction of records in a federal investigation - 2 counts)**
- :** **18 U.S.C. § 2232(a)**
- :** **(destruction and removal of property to prevent seizure - 1 count)**
- :** **18 U.S.C. § 2**
- :** **(aiding, abetting, procuring, and causing)**

## INDICTMENT

## COUNTS ONE THROUGH TEN

## THE GRAND JURY CHARGES THAT:

At all times relevant to this indictment:

1. Defendant BARBARA LESSNER was a Procurement Contracting Officer, Team Leader, at the Defense Supply Center Philadelphia (DSCP). DSCP is the agency of the United States Department of Defense which procures military supplies for the United States military worldwide.

2. Defendant BARBARA LESSNER worked in the Small Purchase (contracts under \$100,000) Direct Vendor, Medical Equipment Group, as supervisor of nine Buyers or Contract Specialists (hereinafter Buyers). As Procurement Contracting Officer, Team Leader,

defendant BARBARA LESSNER distributed all procurement requests for supplies needed by United States military agencies to Buyers on her team, reviewed all pricing and delivery research of the Buyers on her team who worked on the procurement requests, and signed all contracts obligating the United States government to pay funds to suppliers of the goods needed to fulfill the procurement requests for the United States government.

3. As Procurement Contracting Officer, defendant BARBARA LESSNER had an obligation to contract for goods needed by United States military agencies at the lowest possible price consistent with their rules and regulations. These contracts were procured using a competitive bid process. This process involved referencing the available Federal Supply Schedule Price Lists, the Medical Electronic Catalog system (ECAT), and the contract pricing history.

4. Procurement Contracting Officers and Buyers who conducted the pricing and delivery research for each procurement contract were not permitted to share competitive bid information with suppliers bidding on the contracts, or to advise the suppliers what price they should submit on any contract.

5. Pamir Electronics Corporation (Pamir) was a small business distributor of electronic parts and equipment, which manufactured no items, but rather acted as a middleman or distributor of small electrical goods.

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#### THE SCHEME

6. From in or about August 2001 to on or about August 16, 2002, defendant

BARBARA LESSNER

devised and intended to devise a scheme to defraud the United States, and obtain money for Pamir Electronics Corporation from the United States by means of false and fraudulent pretenses,

representations, and promises, by giving Pamir secret bidding and source selection information, arranging for Pamir to have contracts awarded, misrepresenting that Pamir had been awarded the contracts through the regular and legitimate contracting process and misrepresenting that Pamir was the lowest bidder for the contract.

### MANNER AND MEANS

It was part of the scheme that:

7. Defendant BARBARA LESSNER engaged in a personal friendship with S.W., vice president of Pamir, who, prior to his friendship with defendant BARBARA LESSNER, had never participated in the competitive bid process to supply items or supplied items to the United States military through the DSCP.

8. Defendant BARBARA LESSNER told the Buyers on her team to purchase the goods to fulfill procurement contracts using Pamir Electronics as a supplier.

9. Defendant BARBARA LESSNER improperly provided confidential competitor bid and source selection information to S.W. of Pamir so that S.W. would know how much competitor suppliers were bidding for an item on government procurement contracts.

10. Defendant BARBARA LESSNER improperly advised S.W. of Pamir as to what amount he should bid in order to be awarded a contract.

11. Even though it was not her primary responsibility, but rather was the job of the Buyers she supervised, defendant BARBARA LESSNER completed many preliminary pricing and delivery information forms for procurement contracts and then instructed her Buyers to award the contract to Pamir, even though Pamir was not the lowest bidder or the items could have been purchased for less directly from the manufacturer of the item.

12. Defendant BARBARA LESSNER forged the name of the Buyer who was supposed to have completed the preliminary pricing and delivery information forms on some of the forms and then awarded the contract to Pamir, even though Pamir was not the lowest bidder or the items could have been purchased for less directly from the manufacturer.

13. Defendant BARBARA LESSNER awarded contracts to Pamir where Pamir's submission was the only one sought to fulfill the contract, in violation of the established competitive bid process.

14. All purchases over \$100,000 were handled by another group in DSCP, were regulated by a more stringent set of procedures, and required greater levels of review. To circumvent these procedures, defendant BARBARA LESSNER improperly awarded multiple contracts to Pamir on the same day for the same item, and improperly split orders of items where a single contract would total over \$100,000.

15. Defendant BARBARA LESSNER fraudulently placed photocopied justifications into some of the contract files, in an effort to conceal the fact that she had improperly awarded contracts to Pamir at a price higher than she could have obtained had she gotten the supplies directly from the manufacturer.

16. As a result of the scheme to defraud, defendant BARBARA LESSNER improperly signed and approved contracts to Pamir totaling approximately \$3.3 million, and caused a loss to the United States government of approximately \$938,965.59.

17. The funds in payment of the contracts improperly awarded to Pamir were wired from a United States government account in Columbus, Ohio, through the Federal Reserve Bank's Federal Automated Clearing House in Atlanta, Georgia, to Pamir's business account at

First Union National [now Wachovia] Bank in Exton, Pennsylvania.

18. On or about the dates listed below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere, defendant

BARBARA LESSNER,

for the purpose of executing the scheme described above, and aiding and abetting its execution, caused to be transmitted by means of wire communication in interstate commerce signals and sounds, that is, wire and transmissions of money from a United States government account in Columbus, Ohio, through the Federal Reserve Bank's Federal Automated Clearing House in Atlanta, Georgia, to Pamir's business account at First Union National [now Wachovia] Bank in Exton, Pennsylvania, each transmission described below constituting a separate count:

COUNT	DATE	AMOUNT OF WIRE TRANSFER	CONTRACT NUMBER/ EXPENDITURE DOCUMENT NUMBER
1	6-21-02	\$190,982.40	SP 0200-02-MCA51/E2046701
2	4-16-02	\$97,782.00	SP 0200-02-MCA22/E1507301
3	2-12-02	\$63,200.00	SP 0200-02-WN907/E971001
4	3-7-02	\$63,200.00	SP 0200-02-WP320/E1181204
5	3-7-02	\$63,200.00	SP 0200-02-WP579/E1181206
6	7-1-02	\$55,300.00	SP 0200-02-WQ234/E2107803
7	7-1-02	\$39,920.00	SP 0200-02-WQ519/E2107810
8	7-1-02	\$37,920.00	SP 0200-02-WQ448/E2107809
9	7-1-02	\$37,920.00	SP 0200-02-WQ445/E2107808
10	7-1-02	\$37,920.00	SP 0200-02-WQ240/E2107805

All in violation of Title 18, United States Code, Sections 1343 and 2.

**COUNTS ELEVEN THROUGH EIGHTEEN**

**THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1-5 and 7-17 of Counts One through Ten are incorporated here.
2. From in or about August 2001 to on or about August 16, 2002, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**BARBARA LESSNER,**

an official of the United States and a person who was acting and had acted for and on behalf of the United States with respect to a federal agency procurement, for the purpose of obtaining and giving another a competitive advantage, knowingly disclosed contractor bid, proposal, and source selection information prior to the award of a federal agency procurement contract to which the information related, each disclosure described below constituting a separate count:

COUNT	DATE OF DISCLOSED CONTRACTOR BID, PROPOSAL, AND SOURCE SELECTION INFORMATION	DATE OF CONTRACT	CONTRACT NUMBER(S) TO WHICH INFORMATION RELATED
11	10-31-01	11-5-01	SP 0200-02-WN580
12	11-7-01	11-7-01	SP 0200-02-WN721 SP 0200-02-WN769 SP 0200-02-WN777
13	11-7-01	12-6-01	SP 0200-02-WP381
14	11-14-01	11-14-01	SP 0200-02-WN847
15	12-12-01	12-13-01	SP 0200-02-WN650
16	12-12-01	12-17-01	SP 0200-02-WP487
17	1-22-02	1-24-02	SP 0200-02-WP821
18	3-8-02	3-15-02	SP 0200-01-WR657 SP 0200-01-WR746

All in violation of Title 41, United States Code, Section 423(a),(e).

## **COUNT NINETEEN**

### **THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1-5 and 7-17 of Counts One through Ten are incorporated here.
2. On August 16, 2002, defendant BARBARA LESSNER was confronted by her supervisors at her workplace. Supervisors notified defendant BARBARA LESSNER that she was under investigation by the Defense Criminal Investigative Service (DCIS) for her failure to follow small purchase procedures. She was further advised that she was being placed on administrative leave, that she was not to enter the military compound, and that her work identification would be retained.
3. Following the meeting with her supervisors where she was given written notice of the investigation by DCIS, DCIS agents escorted defendant BARBARA LESSNER to her office, advised her that she could take only personal items from her office, and told her that she would be escorted off the military compound.
4. DCIS agents escorted defendant BARBARA LESSNER to her office, where she collected her personal possessions. Defendant BARBARA LESSNER then unlocked a file, placed some files from the locked cabinet on her desk, and threw away in the trash a day planner. The day planner contained evidence relevant to the investigation, that is, it contained the home address of S.W. of Pamir.
5. On or about August 16, 2002, in Philadelphia, in the Eastern District of Pennsylvania, defendant

### **BARBARA LESSNER**

knowingly concealed and covered up a record, document, and tangible object, that is, a day planner that defendant LESSNER deposited in the trash after being advised that she was under

investigation by the DCIS and that DCIS agents would escort her to her office and then off the grounds of the military compound, with the intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of DCIS, an agency of the United States.

In violation of Title 18, United States Code, Section 1519.



## **COUNT TWENTY**

### **THE GRAND JURY FURTHER CHARGES THAT:**

1. Paragraphs 1-5 and 7-17 of Counts One through Ten and paragraphs 2-4 of Count Nineteen are incorporated here.

2. As soon as the DCIS agents escorted defendant BARBARA LESSNER off the military compound and through the front gates, the DCIS agents saw that defendant LESSNER made a call on her cell phone.

3. Defendant BARBARA LESSNER used her cell phone to call an employee in her group, Cynthia Verderame, and told Cynthia Verderame to go in defendant LESSNER's office, remove files from her desk, and destroy them.

4. Cynthia Verderame, charged separately, removed work files from defendant BARBARA LESSNER's desk, removed them from the military compound, and destroyed them.

5. On or about August 16, 2002, in Philadelphia, in the Eastern District of Pennsylvania, defendant

### **BARBARA LESSNER**

knowingly procured and willfully caused another to destroy, mutilate, conceal, and cover up records and documents, that is documents in defendant LESSNER's office that she instructed an employee to take out of her office and destroy after defendant LESSNER was advised that she was under investigation by the DCIS and was escorted off the grounds of the military compound, with the intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of DCIS, an agency of the United States.

In violation of Title 18, United States Code, Sections 1519 and 2.

**COUNT TWENTY-ONE**

**THE GRAND JURY FURTHER CHARGES THAT:**

On or about August 16, 2002, in Philadelphia, in the Eastern District of Pennsylvania, defendant

**BARBARA LESSNER,**

before, during, and after a search for and seizure of property by a person authorized to make such search and seizure, knowingly destroyed, damaged, disposed of, and transferred, and aided and abetted and willfully caused the destruction, damage, disposition, and transfer of, property, that is, records sought to be seized by the Defense Criminal Investigative Service (DCIS), of the United States Department of Defense, from the Defense Supply Center Philadelphia, 700 Robbins Avenue, in Philadelphia, Pennsylvania, for the purpose of preventing and impairing DCIS's lawful authority to take such property into its custody and control and to continue holding such property under its lawful custody and control.

In violation of Title 18, United States Code, Sections 2232(a) and 2.

**A TRUE BILL:**

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**FOREPERSON**

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**PATRICK L. MEEHAN**  
United States Attorney